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SUBJECT: COLOMBIA EAGER TO PURSUE ECPA COOPERATION

11. (SBU) SUMMARY: In a series of senior-level meetings April 29-30, GOC officials told State Western Hemisphere Affairs Director for Economic Policy and Summit Coordination Matt Rooney that Colombia was very interested in pursuing cooperation with the U.S. and regional partners under the Energy and Climate Partnership of the Americas (ECPA) initiative. GOC officials from the Ministries of Energy, Foreign Affairs, Environment and Finance all welcomed the initiative and agreed that electrical grid interconnection within the region, efficiency and biofuels were particular areas where Colombia could potentially engage. Vice Minister of Foreign Affairs (MFA) Clemencia Forero presented Colombia's proposal for implementing the September 2008 Memorandum of Understanding on Renewable Energy and suggested both governments seek ways to link ECPA goals with activities under the MOU. The GOC committed to sending a senior delegation to the June 16 ministerial in Lima and working with partner nations to identify next steps on ECPA. END SUMMARY.

Ready to Pursue ECPA

- 12. (SBU) Energy Minister Hernan Martinez, MFA Vice Minister Forero, and Finance Minister Director of Public Credit Viviana Lara all praised the proposal of ECPA by President Obama at the Summit of the Americas and emphasized Colombia's interest in collaborating with the U.S. and neighboring countries as the proposal becomes more defined. In the meantime, all three agreed that supporting efforts to link Colombia's significant hydroelectric generation capacity north to Central America and south to Chile would be an excellent starting point.
- 13. (SBU) Minister Martinez and Hernan Molina, Director of Colombia's Electrical and Gas Regulatory Commission (CREG), both described Colombia's existing efforts to overcome regulatory differences with Panama to establish a grid interconnection with the isthmus. A project to link the two countries by underwater cable is currently under feasibility study with plans to complete the linkage by 2013. Both identified regulatory differences as a key impediment to extending interconnection to the rest of Central America or south to Peru and Chile. (NOTE: Colombia is already a significant electricity supplier to Ecuador, but regulatory differences between Ecuador and Peru prevent sending power further south. END NOTE.) Minister Martinez and Director Molina suggested that a regional effort to harmonize regulatory frameworks would be a major help in fostering eventual interconnection with the rest of the region.

14. (SBU) Finance Public Credit Director Lara echoed the focus on electrical interconnectivity and suggested that ECPA could serve as an important vehicle for promoting investment on clean energy solutions such as efficiency. She emphasized that as much as 70 percent of Colombia's electricity is generated by hydroelectric power with six more plants coming on-line by 2016. Lara said that Colombia was committed to developing increased hydroelectric capacity for both domestic and international consumption, which would complement ECPA goals of reducing fossil fuel emissions and ensuring broader access to energy supplies in the region.

Linkages to 2008 Renewable Energy MOU

- 15. (SBU) MFA Vice Minister Forero agreed that fostering interconnection with regional neighbors, starting with Panama and Central America, was a prime potential activity for ECPA cooperation. She also highlighted Colombia's leadership in biofuels, including existing capacity-building cooperation with Honduras, El Salvador, and Guatemala, as another area for possible ECPA collaboration. Forero presented Director Rooney Colombia's proposal for implementing the September 2008 Renewable Energy MOU and expressed hope that the U.S. and Colombia could identify linkages between the envisioned activities and the clean energy goals of ECPA.
- 16. (SBU) Forero said the GOC is eager to hear what the next steps on ECPA will be and how working groups will be established. She welcomed the proposal to use the June 16 energy ministerial as a forum for mapping out a way ahead on ECPA and reiterated Energy Minister Martinez' previous commitment to send a high-level Colombian delegation to engage in the discussions.

Comment

17. (SBU) As a major hydroelectric and biofuels producer with significant growth potential, Colombia represents a key potential partner for promoting clean and secure energy access to the region. As evidenced in the senior-level interest in Director Rooney's visit and the signing of the September 2008 MOU, the GOC is eager to cooperate with the U.S. in the clean energy sector. Establishing linkages with the MOU will be important to the GOC for reinforcing and expanding the bilateral relationship beyond traditional counternarcotics and security issues, as well as complementing the ECPA goals as the initiative's framework is further developed.

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